



DONELAN CLEARY
WOOD & MASER, P.C.

RECORDATION NO. 22278 FILED

JUL 26 1999

3:00 PM

July 26, 1999

New Recordation No.

Dear Mr. Williams:

On behalf of Bankers Trust Company, as Collateral Agent, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Memorandum of Security Agreement ("Security Agreement") dated as of July 19, 1999.

The parties to the enclosed Security Agreement are:

Bankers Trust Company
(as Collateral Agent)
130 Liberty Street
New York, NY 10006

- SECURED PARTY/for Indexing
MORTGAGEE

Pacer International, Inc.
f/k/a Land Transport Services, Inc.
1340 Treat Boulevard, Suite 200
Walnut Creek, California 94556

- BORROWER/for Indexing
MORTGAGOR

The said Security Agreement, among other things, grants a security interest by the Borrower to the Secured Party in ALL ROLLING STOCK NOW OWNED OR HEREAFTER ACQUIRED and also now existing or hereafter acquired interest in any Rolling Stock.

The equipment covered by the instant Security Agreement is all now owned or hereafter acquired Rolling Stock.

A short summary of the Security Agreement to appear in the Surface Transportation Board Index is as follows:

"Covers all Rolling Stock now owned or hereafter acquired and all now existing or hereafter acquired interest therein."

Please index separately the name Land Transport Services, Inc. in the mortgagor side of the Surface Transportation Board Index (yellow pages), saying: "See Recordation No. 22278."

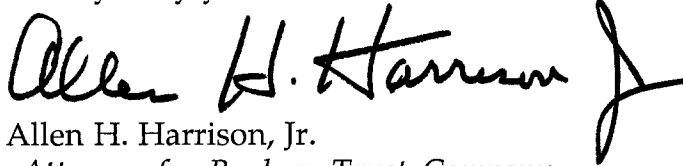
ATTORNEYS AND COUNSELORS AT LAW

1100 New York Avenue, Suite 750, N.W., Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

Enclosed is a check in the amount of fifty-two dollars, twenty-six dollars of which is in payment of the filing fee, and twenty-six dollars of which is for the requested extra indexing.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, reading "Allen H. Harrison, Jr." with a stylized flourish at the end.

Allen H. Harrison, Jr.
*Attorney for Bankers Trust Company,
as Collateral Agent,
for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY HAND

8208-020

MEMORANDUM OF SECURITY AGREEMENT

This MEMORANDUM OF SECURITY AGREEMENT, dated as of July 19, 1999, is made by Pacer International, Inc., f/k/a Land Transport Services, Inc., a Tennessee corporation (the "Borrower"), with an address at 1340 Treat Boulevard, Suite 200, Walnut Creek, California 94556 and Bankers Trust Company, secured party, as collateral agent for the secured creditors (the "Collateral Agent"), with an address at 130 Liberty Street, New York, New York 10006.

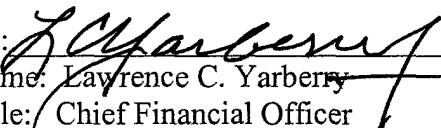
KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Borrower, each subsidiary of the Borrower and the Collateral Agent have entered into a Security Agreement, dated as of May 28, 1999 (the "Security Agreement"); and

WHEREAS, among the collateral pledged by the Borrower to the Collateral Agent are any and all railroad cars, locomotives, stacktrains and other rolling stock, and accessories used on such railroad cars, locomotives and other rolling stock (including superstructures and racks) (collectively, "Rolling Stock") NOW OWNED OR HEREAFTER ACQUIRED by the Borrower and all now existing and hereafter acquired interest of the Borrower in any Rolling Stock.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be executed by their duly authorized officers as of the day and year first above written.

PACER INTERNATIONAL, INC.,
f/k/a Land Transport Services, Inc.

By: 
Name: Lawrence C. Yarberry
Title: Chief Financial Officer

BANKERS TRUST COMPANY, as
Collateral Agent

By: _____
Name: _____
Title: _____

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PACER INTERNATIONAL, INC.,
f/k/a Land Transport Services, Inc.

By: _____
Name: Lawrence C. Yarberry
Title: Chief Financial Officer

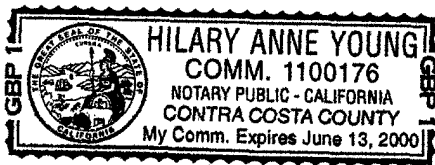
BANKERS TRUST COMPANY, as
Collateral Agent

By:  _____
Name: **GREGORY SHEFRIN**
Title: **PRINCIPAL**

COUNTY OF Contra Costa)
STATE OF California)

On this 19th day of July, 1999 personally appeared before me Lawrence C. Yarberry, who duly sworn by me, said that he is the Chief Financial Officer of Pacer International, Inc. and is authorized to sign the foregoing Memorandum of Security Agreement on behalf of Pacer International, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Hilary Anne Young
Notary Public

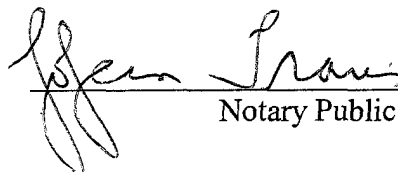
[SEAL]

My Commission expires: June 13, 2000

COUNTY OF New York)
STATE OF New York)

On this 22ND day of July, 1999 personally appeared before me
CORRECTOR SHEPHERD who duly sworn by me, said that he/~~she~~ is the
DIRECTOR of Bankers Trust Company and is authorized to sign the
foregoing Memorandum of Security Agreement on behalf of Bankers Trust Company, as
collateral agent.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

[SEAL]

My Commission expires:

JOJEAN TRAVIS
Notary Public, State of New York
No. 01TR5013241
Qualified in New York County
Commission Expires July 15, 2001